

CITIZENS' INDEPENDENT TRANSPORTATION TRUST (CITT)
Budget & Finance Committee Meeting
Friday, December 17, 2004
Stephen P. Clark Center
111 NW 1st Street
10th Floor Conference Room
1:30 p.m.

Summary of Minutes

MEMBERS PRESENT:

Theodore Wilde, Chairman
Franklin Kelly
Miles Moss

Marc A. Buoniconti
Thamara Labrousse
Hon. Linda Zilber

COUNTY ATTORNEY:

Bob Cuevas
Maria Arista-Vosky

OTHERS PRESENT:

George Burgess, County Manager
Dr. Carlos F. Bonzon, Surface Transportation Manager
Harold Braynon, Jr., CITT Member
Hon. James Reeder, CITT Member
Nan A. Markowitz, Executive Director, OCITT
Martin Nash, CTAC
Bob Pearsall, MDT
Mayra Bustamante, MDT
Jorge Fernandez, MDT
Scott Mendelsberg, OSMB
Lourdes Gomez, MDT
Patrice Rosemond, OCITT
Larry Lebowitz, Miami Herald
Pepe Vales, OCITT

Bill Johnson, Assistant County Manager
Susannah Troner, CITT Member
Henry Lee Givens, CITT Member
Dan Ricker, Watchdog Report
Patty David, OCITT
George Navarrete, MDT
Judy Seidner, CMO
Jack Furney, OCITT
Sandra Melean, PWD
Mark Alvarez, CUTR
Fred Silverman, PB
Barbara Bravo, OCITT
Virginia Diaz, OCITT
John Prats, OCITT

ROLL CALL

With a quorum present, Mr. Theodore Wilde, Chairman of the Budget and Finance Committee, called the meeting to order at 1:40 p.m.

CITIZEN'S COMMENTS

None

ACTION ITEM

**RESOLUTION BY THE CITIZENS' INDEPENDENT
TRANSPORTATION TRUST (CITT) RECOMMENDING THE BOARD
OF COUNTY COMMISSIONERS (BCC) TO AMEND THE PEOPLE'S
TRANSPORTATION PLAN (PTP) TO INCLUDE THE USE OF
CHARTER COUNTY TRANSIT SYSTEM SURTAX (SURTAX) FUNDS
FOR EXISTING MIAMI-DADE TRANSIT (MDT) SERVICE FOR FISCAL
YEARS 2001-2002, 2002-2003, 2003-2004, AND 2004-2005, AND
FURTHER AMEND THE PTP TO INCLUDE THE USE OF SURTAX
FUNDS FOR SUCH SERVICE FOR SUBSEQUENT FISCAL YEARS
UNDER CERTAIN CONDITIONS**

Mr. Miles Moss requested that a copy of the Citizens' Transportation Advisory Committee (CTAC) #04-25 Resolution be distributed. He further commented that the essence of the resolution was a request that the Board of County Commissioners (BCC) properly fund existing transit service and that no People's Transportation Plan (PTP) funds ever be utilized to support transit service that existed prior to the passage of the PTP referendum.

Mr. Wilde welcomed and introduced Mr. George Burgess, Miami-Dade County Manager. Mr. Burgess thanked the members for allowing him to speak on the proposed amendment to the PTP. The following statements are summary comments made by the County Manager:

Mr. Burgess stated that he was working at the Miami-Dade School Board when the PTP Campaign was initiated. He noted that the community rejected a dedicated source of funding for transportation in four or five previous occasions. He stated that a dedicated source of funding is essential to compete for local and federal dollars. When the voters approved the PTP, it included assumptions of Metrorail expansion, as well as greater frequency on current bus routes, highway improvements, municipal transportation, and transit.

Mr. Burgess stated that when he was hired as County Manager, he asked for an update to the 30-year Pro Forma to ensure that all of the projects proposed and presented to the public could be funded. While he believes it is the County's job to ensure that those projects that were outlined are delivered with those sales tax dollars, the revised Pro Forma showed that it could not be done without modifications, Mr. Burgess said.

The Ordinance establishing the surtax called for a Maintenance of Effort (MOE) and assurances that the County's General Fund would continue to provide funding to the transit system. However, Mr. Burgess said there cannot be two transportation systems – an old and a new one. There cannot be two sets of books. He further stated that the PTP could not be carried out with a flat MOE of \$111.8 million as the Ordinance requires. Since 1985, the County's general fund support for transportation has been growing less than 2 percent a year. The County has been struggling to keep the transit system together while the general revenue mileage rate has gradually dropped.

Mr. Burgess continued to state that he has directed the fiscal planners to develop a Pro Forma assuming a 3.5 percent growth in the MOE per year and a 1.5 percent annual increase in gas taxes. Those commitments on MOE growth over 30 years have a value of over \$2 billion. Those increases are needed to ensure that the PTP can be funded properly.

Mr. Burgess also addressed the issue of whether the surtax should fund existing services, saying he didn't see why it shouldn't since existing services are the County's most important obligation and they need to be improved to reduce headway and add service where service is needed.

Mr. Burgess further commented that the federal government will not allow the County to participate in or develop a New Starts project if Miami-Dade Transit is not operated as a unified system.

He continued to discuss revisions to the 30-year Pro Forma, based on the latest projections. The 3.5 percent growth is estimated to produce about \$100 million more in revenue than the cost of existing services in 2002.

He further stated that following a recent meeting with Mr. Buoniconti, he is prepared to increase the MOE this year by \$2 million, which will add another \$50 million over 30 years. Over the life of the Pro Forma, \$150 million more will be needed to maintain existing services.

Mr. Burgess noted that the Pro Forma is based on assumptions of receiving federal funds, but the federal government has its own funding challenges, and transit properties are not a top priority. Under the most optimistic scenario, the County could develop two rail corridors at the same time, but that would be very difficult. Lastly, Mr. Burgess said that there were commitments made to the

public that can be funded in the revised 30-year Pro Forma but the existing system needs to be properly funded.

Mr. Wilde pointed out that the CITT already agreed that there could only be one transportation system when it approved funding of \$397 million in capital expenses for maintenance and cleaning up the deficits from the past two decades. Mr. Buoniconti pointed out that it is common sense to raise the County's share of general fund support given rising expenses.

Mr. Burgess said that it is not as common as one may think it is. Between 1985 and 2002 the average annual growth of the General Fund contribution to MDT was 1.8 percent.

Mr. Buoniconti asked Mr. Burgess if he was comfortable with the increase of 3.5 percent in the MOE. He also stressed that the public needs to know what can and cannot be accomplished.

Mr. Burgess responded that the biggest issue on corridor development is the success in leveraging federal grant dollars and not so much the cost of existing bus service. Ms. Mayra Bustamante interjected that the original PTP and the original 2002 Pro Forma discussed building all the corridors. The new Pro Forma the CITT Members received included the construction of three corridors, the North, East/West and the Earlington Heights Connection. What has been done at the request of the Manager is to review the financing. The review will be available next week; however, the outlook is not bright for the other corridors.

Mr. Herb Nash, CTAC Member, stated that at the December 15, 2004, CTAC meeting there was a consensus of over 20 CTAC Members who were not in favor of using surtax dollars to pay for pre-existing deficits. CTAC Members assumed that the original PTP was for improvements and expansion of the heavy rail system. Mr. Nash further stated that the general public will lose confidence in the integrity of the CITT. Additionally, he said he is in favor of what was proposed by the County Manager, but it needs to be articulated to the public.

Mr. Buoniconti stated that a lot of questions are being asked because new information is being provided that was not included in the Pro Forma that was given to the Budget and Finance Committee Members on December 9, 2004. Dr. Carlos Bonzon, Surface Transportation Manager, added that Exhibit 1 in the Ordinance, under Transit Corridors, includes a range in dates from 2002 to 2031, which went beyond the original 20-year Pro Forma.

Mr. Moss stated that the issue of the corridors being under construction is not an issue if all the eight corridors will eventually be implemented. What the Members were told last week is that based upon the assumptions after the 3 corridors are completed, the County may not be able to implement another corridor because the sales tax dollars will only be available for existing services and the operations of the three new corridors. Mr. Burgess again stated that the increase in the MOE to 3.5 percent produces an extra \$200 million.

Mr. Moss proposed adding language to the proposed resolution stating that approval by the CITT is contingent on approval by the BCC. Mr. Burgess responded that the Ordinance can be amended to reflect the increase to 3.5 percent in the MOE, but every year's budget is subject to appropriations and BCC action. Any local legislation can be amended. He feels strongly that the BCC will approve the recommendation.

Mr. Buoniconti stated that the issue has been rushed, and that information was received last week and new information is being presented at the meeting to make a long-term decision. Mr. Wilde asked the County Manager whether a public statement needs to be made stating that the PTP promised more than it can provide. Mr. Burgess said he does not know what the public was told since he was not involved in the PTP campaign. He further stated that he thinks it is wise to go to the community periodically to share with them the short term and longer term plans for the transportation development program.

After a lengthy discussion, Committee Members agreed that with the County Manager's commitment to increase the Countywide General Fund to MDT to 3.5 percent, a 1.5 percent annual increase in Local Option Gas Tax Revenue and an increase of \$2 million dollars to the Countywide General Fund Budget to MDT as of Fiscal Year 2004-2005, they would be in favor of recommending the amendment to the PTP.

Mr. Moss moved to approve the resolution with an amendment to include the additional \$2 million dollars. The motion was seconded by Tamara Labrousse and carried without dissent.

Mr. Herb Nash, CTAC Member, asked if the CTAC resolution that was distributed earlier could be read out loud. Mr. Wilde responded that the resolution was distributed and was an important addition to the discussion.

ADJOURNMENT

There being no further business of the Budget & Finance Committee, the meeting was adjourned at 3:15 p.m. Mr. Wilde stated that the Budget and Finance Pro Forma Workshop will begin immediately.

*****MINUTES ARE IN SUMMARY FORM*****

**FOR VERBATIM TRANSCRIPTIONS OF THIS MEETING PLEASE REQUEST COPIES OF THE
TAPE FROM THE MIAMI-DADE OCITT OFFICE AT 305-375-3481**